



FAMERS SUICIDE IN INDIA: REALITY, REASONS AND REMEDIES

Dr. Kale Sambhaji Bhaurao

Shri Marutrao Ghule Patil Education Society's, Jijamata College of Science & Arts, Dnyaneshwarnagar, Post. Bhende B.K Tal Newsa Dist. Ahmednagar, (M.S) India.

ABSTRACT

Several studies have been conducted by the Government and social science organizations to analyse the agrarian crisis and farmers suicides. Based on my experience as District Development Manager (DDM) in District Betul of Madhya Pradesh, which incidentally is adjacent to, identified distress districts in Maharashtra. I have tried to summarize causes of suicides and suggested remedies in the paper. Central and State Government have announced the relief packages to the suicide affected families in Maharashtra. NABARD is the implementing agency of the package provided by Central Government. In the budget of 2008-09 Honourable Finance Minister has also announced massive write off to the tune of Rs.60000 crore of the outstanding loan of small & marginal farmers and OTS for other farmers.

Statistics say nearly 4,00,000 farmers committed suicide in India between 1995 and 2018. In over two decades of The Statistics focused on data on farmers suicide to human grief, struggle, brave fight-backs and several complex, crumbling worlds within that world – things that I hope to show in this narrative. Around the mid 1990s, a liberalised and globalised economy engulfed great many unsuspecting farmers in problems that were beyond their comprehension, triggering suicides that surged in the early 2000s. In the cotton hinterland, I was waking up to life and living against the backdrop of premature deaths of young and old farmers and a new India taking shape in the new millennium. India's economy was now fuelled by sectors other than agriculture, like services.

Local farmers' markets were invaded by global markets, like that of cotton or food. Rapid upward economic mobility of sections of the population was creating newer inequalities, leading to a perception among the peasantry that they were losing out. The fast-changing economic conditions were also altering long-held social equations.

Landed farmers, once among the respected classes in a village economy, were now unable to meet their ever-growing needs, while the non-landed classes, absorbed in the unorganised service economy, migrated out of their villages to urban centres for better wages and work, doing marginally better than they once did as farm labourers. Agriculture was said to be the sole bright spot for India's gross domestic product growth, clocking a positive growth rate when other sectors fell to the pandemic during the last two years. But the growth did not translate much for agricultural labourers as at least one agricultural labourer died by suicide every two hours in 2021. Some 5,563 agricultural labourers died by suicide in 2021, according to the latest report of the National Crime Records Bureau (NCRB). The number of suicides increased by nine per cent from 2020 and by around 29 per cent from 2019. Some 5,121 of the 5,563 suicides by agricultural labourers during 2021 were by males and 442 were by females. The most suicides were reported from Maharashtra (1,424), followed by Karnataka (999) and Andhra Pradesh (584), according to the report Accidental Deaths and Suicides in India. The data comes at a time when more farmers have become labourers and an average agricultural household depends more on wages than the farm.

KEYWORDS: Farmland, Drought, Agriculture, Indebtedness, Farmer, Suicide.

INTRODUCTION:

Agriculture is the backbone of the Indian Economy as it contributes approximately to 18 percent the national GDP. It is most important sector in terms of providing employment and reducing poverty. But the poor performance of The sector after mid 1990 and the distress of the farmers has highlighted the need of focus and analysis the problem and steps needed to revitalize agriculture. The recent situation assessment survey carried out by the National Sample Survey Organization (NSSO) had also overwhelmingly proved that agriculture is no longer a profitable enterprise, wherein in income from crop cultivation in not meet the annual expenditure of the farmers. The Indian farmers are caught in a dilemma whether to continue in agriculture or not in the past 30 years, the noble profession of agriculture has become unremunerative and farmers have become untouchable in the social circles.

Agriculture provides the principal means of livelihood for over 60% of India's population. Despite a steady decline in its share to the gross Domestic Product (GDP) agriculture remains the largest economic sector in the country. There is an old saying in Marathi 'Shetkari karjat janmta ani karjatch Marato' which means "Farmer takes the birth in debt and die in the same condition". This was the position of farmers before independence and it still continue after 60 years of independence. If we analyse the suicides by farmers in Maharashtra it is revealed that it is higher in Vidarbha region of the State where farmers preferred cultivation of "white gold" i.e. cotton - a risky venture that suffered due to non-availability of quality seeds coupled with the farmers or incapacity to buy costly Bt. cotton seeds. Due to rapid growth of rural population and division of families the farmland has undergone rapid fragmentation. Presently 80% of the farmland holding are with the small and marginal farmers owning land up to 5 acres. For these category of farmers cost of production by way of farm inputs has increased manifold over the years while the productivity of the land remained at the same level and sale price of farm produce has not commensurately increased. These factors have driven farmers to the debt trap and have caused distress leading to suicide. My experience in the field has shown that smaller the landholding higher is the cost of production. The distressed economy of small scale crop cultivation is further accentuated by lack of knowledge, scientific application of crop management,

diversification practices, inappropriate system such as non availability of quality input material in time, inadequate irrigation facility, non-remunerative prices, dominance of middlemen in Agricultural Marketing Structure.

Low and volatile growth rates under the sector and the recent escalation of an agrarian crisis in several parts of the country pose a threat not only to national food security but also to the economic well being of the nation as a whole. In 1947 the share of Agriculture in total GDP was 50%. Gradually it declined and has now come down to about 20%. Still however 60% population depend on agriculture for the survival. In 1988-89 i.e. prior to introduction of Financial Sector Reforms, growth rate in Agriculture in India was 15.4%, which has come down to 9.4%(2006-07). They could also not get remunerative price for their produce. According to Dr. M.S. Swaminathan, although 60% people in India depend on agriculture and Agriculture Sector contributes 25% of National Income over the period investment and production in agriculture has declined. In developed world the percentage of dependence of population on agriculture is much less e.g. in USA it is only 2% and income from agriculture is just 4%. There are related issues of quality for export and competition in global market For last few years every other day we read the news of farmers committing suicides. The number of farmers who have committed suicides since 1997 has crossed 1 lakhs. In this context the actual problems being faced are to be understood and analysed. Innovative remedies have to be thought of which are to be implemented with sincerity by the Government and the implementing agencies, along with putting in place ways to rehabilitate the affected farmers. An attempt has been made in this article to address the issue of farmers plight leading to suicide and measures to address the issue have been suggested.

More agricultural labourers have died by suicide in the last two years. But fewer farmers / cultivators have done so. The number of such suicides declined to 5,318 in 2021 from 5,579 in 2020 and 5,957 in 2019. These figures were also highest in Maharashtra, Karnataka and Andhra Pradesh. Overall, the number of suicides was lower for farmers / cultivators compared to agricultural labourers. However, the number of suicides by farmers / cultivators in Maharashtra and Karnataka were higher compared to those by agricultural labourers — 2,640 and 1,170

respectively. A total of 10,881 persons involved in the farming sector died by suicide during 2021, accounting for 6.6 per cent of total suicides victims (164,033) in the country. Certain states / Union Territories like West Bengal, Bihar, Jharkhand, Odisha, Tripura, Manipur, Arunachal Pradesh, Uttarakhand, Chandigarh, Lakshadweep, and Puducherry reported zero suicides of farmers / cultivators as well as agricultural labourers, according to the report.

The NCRB defines, a 'farmer / cultivator' as one whose profession is farming and include those who cultivate on their own land as well as those who cultivate on leased land / other's land with or without the assistance of agricultural labourers.

Agricultural labourer' is a person who primarily works in the farming sector (agriculture / horticulture) and whose main source of income is from agriculture labour activities. Meanwhile, the share of daily wagers among those who died by suicide in the country has shown a sharp increase in 2021. Daily wage earners accounted for 25 per cent suicides in the country (42,004 suicides), making daily wage earners the largest profession-wise group among suicide victims in 2021. The figure of 42,004 suicides is a sharp increase from 33,164 daily wagers who died by suicide in 2020. It is encouraging to see that our country is one of the fastest growing economies in the world. Reform process in most of the economic sectors is in place. There is healthy competition in almost all the sectors leading to cost reduction. GOI has planned to achieve 10% growth by 2012, but all this cannot be achieved unless the targetted growth is ensured for Agriculture sector.

OBJECTIVES AND METHODOLOGY:

The main objective of the study is to identify the causes of distress faced by farmers and locate the socio-economic component responsible for this stress eventually leading to suicides. The study also aims to suggest policy major so as to improve the condition of farmers. Given time concentrate, this study has relied on studies and reports conducted on farmers suicides. Data has been collected from secondary sources and compiled in a tabular form. The Global Perspective:

- The suicide rate for farmers throughout the world is higher than for the non-farming population.
- In the Midwest of the U.S. suicide rates among male farmers are twice that of the general population.
- In Britain farmers are taking their own lives at a rate of one a week.
- In India, one farmer committed suicide every 30 minutes.
- All over the world the impact of an industrial approach to boosting crop yields has stripped many small farmers of their self-sufficiency and thrown them into despair.

Indebtedness of farmers in India:

The problems of rural indebtedness are the burning issue of rural India society. Within the given institutional structure of the India society it is felt that a cure for indebtedness is extremely difficult, if not impossible. It is so because poverty, coupled with unequal distribution of economic resources, breed indebtedness, which in turn, consolidates the cause of Rural Indebtedness:

1. Low Income.
2. Poverty and lack of education.
3. Unproductive & wasteful expenditures of the loan.
4. Inhabit debts.
5. Waste of money on litigation.
6. Poor financial inclusion etc.

As many as around 15 farmers and 15 agricultural labourers died by suicide every day in 2021, accounting for nearly 7 per cent of the total suicides reported in India, the highest number of such deaths reported since 2017, as per official data analysed by CNN-News18. According to Figure no 1 recent data by the National Crime Records Bureau (NCRB) titled Accidental Deaths and Suicides in India 2021, persons engaged in the farming sector accounted for nearly 6.6 per cent of the total suicides reported in India. "A total of 10,881 persons involved in the farming sector (consisting of 5,318 farmers/cultivators and 5,563 agricultural labourers) have committed suicides during 2021, accounting for 6.6% of total suicides victims (1,64,033) in the country. Out of 5,318 farmer/cultivator suicides, a total of 5,107 were male and 211 were female," the report stated. Of the 5,318 farmers/cultivators, 4,806 were land-owning cultivators or without the assistance of agricultural labourers and 512 were those who cultivate on leased land or landless agricultural labourers or sharecroppers / tenants.

Suicide by Persons Engaged in Farming Sector in 2021

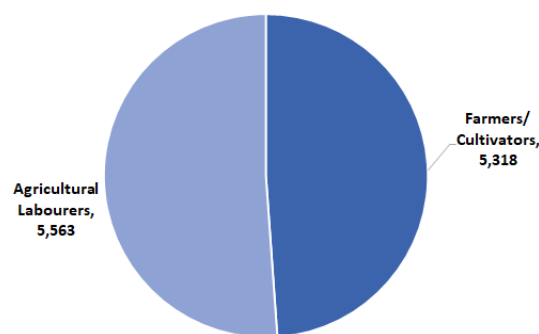


Figure No. 1

Highest Farmers Suicide in 5 Years:

Figure no 2 focused on the data between 2017 and 2021, nearly 53,000 persons engaged in the farming sector died by suicide. Of these, close to 28,600 (55%) were farmers. The 2021 report showed the highest number of farmer suicide since 2017.

Year-wise Suicide in Farming Sector

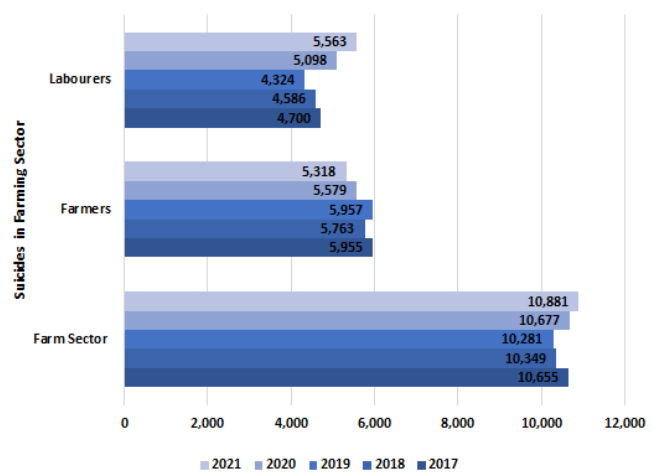


Figure No. 2

While suicide cases have risen among agricultural labourers by 18 per cent in 2020, such deaths have decreased among land-owning cultivators by six per cent. Maharashtra has reported the maximum suicides in the farming sector. The National Crime Records Bureau (NCRB) report shows the number of suicides among agricultural labourers has increased from 4,324 in 2019 to 5,098 in 2020 — a rise of 18 per cent. However, the number of suicides among farmers/cultivators has been reported to have declined from 5,957 in 2019 to 5,579 in 2020 — a drop of six per cent. While most of the other industries automotive, textiles, real estate were affected during the COVID19 pandemic, the farm industry functioned unhindered and supported the economy. Despite this, there were reports highlighting the plight of vegetable farmers who were selling their produce at throwaway prices as the demand had dipped.

The NCRB report titled 'Accidental Deaths & Suicides in India – 2020' released on October 28, shows there has been a rise in the number of suicides of agricultural labourers in the past year. The NCRB report documented the suicide cases of a total of 10,677 persons involved in the farming sector — 5,579 farmers/cultivators and 5,098 agricultural labourers during 2020. This accounted for seven per cent of the total suicides cases (153,052) in the country last year. Of the total 5,579 farmer/cultivator suicides, 95.6 per cent were male and 4.4 per cent were female. Whereas of the total 5,098 suicides among agricultural labourers during 2020, 90.6 per cent were male and 9.3 per cent were female.

Figure no 3 shows that the totally farmers suicide divided to various sector and his daily income condition in the country. Figure no 2 shows relative share and percentage of indias farmers suicide like self employed, unemployed 11.3%, professional salaried person 9.7%, Daily Wages earner 24.6%, students 8.2%, origan farmers engaged in farming 7.0%, other business 13.4%, housewife 14.6%, self employed 11.3% Retired Person 1.0%.



Figure No 3

Maharashtra Worst Hit:

Figure no 4 focused on the farmers State wise farmers suicide7 accidental death and In India in 2021, Maharashtra was the worst-hit state with at least 4,064 agrarian suicide cases, of which 2,640 were farmers. At least 2,429 farmers were engaged in cultivating their land with or without the assistance of agricultural labourers. The remaining 211 were cultivating on leased land/ employed on lease or working on others' land with or without the assistance of agricultural labourers.

Maharashtra was followed by Karnataka which reported 2,169 suicides, including 1,170 farmers. Five states: Maharashtra, Karnataka, Andhra Pradesh, Madhya Pradesh and Tamil Nadu – recorded about 80 per cent of total suicides in the farming sector and about 85 per cent of farmers' suicide.

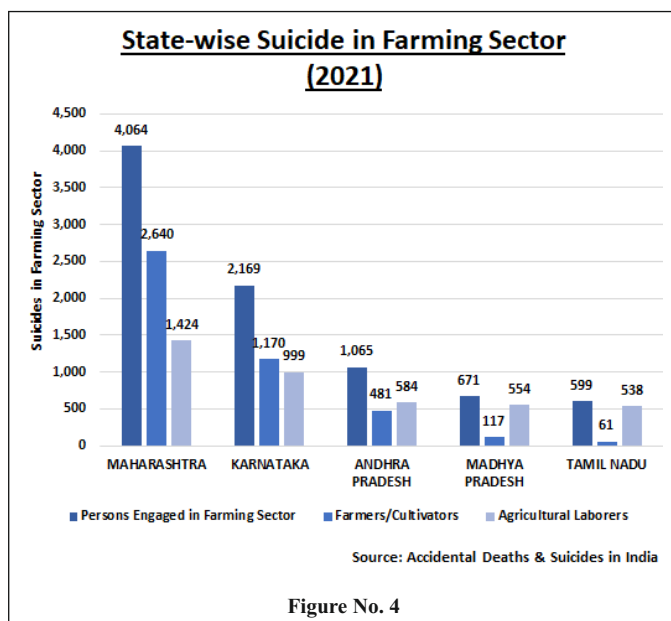


Figure No. 4

State-wise Suicide in Farming Sector (2021):

On the other hand, the report showed states like West Bengal, Bihar, Jharkhand, Odisha, Tripura, Manipur, Arunachal Pradesh, Uttarakhand, Chandigarh, Lakshadweep and Puducherry reported zero suicides of farmers/cultivators as well as agricultural labourers. In addition, Goa, Gujarat, and Mizoram also recorded zero agrarian suicide cases.

STATES THAT SAW MOST SUICIDES FARMER/CULTIVATOR SUICIDES			
State	2019	2020	%Chg
Maharashtra	2,680	2,567	-4.22
Karnataka	1,331	1,072	-19.46
Andhra Pradesh	628	564	-10.19
Telangana	491	466	-5.09
Madhya Pradesh	142	235	65.49
Punjab	239	174	-27.20
Tamil Nadu	6	79	1,216.67
UP	108	87	-19.44
Total	5,979	5,579	-6.69

AGRI LABOURER SUICIDES

States	2019	2020	%Chg
Maharashtra	1,247	1,439	15.40
Karnataka	661	944	42.81
Madhya Pradesh	399	500	25.31
Tamil Nadu	421	398	-5.46
Kerala	128	341	166.41
Andhra Pradesh	401	325	-18.95
Total	4,324	5,098	17.90

Note: Total won't match as all states haven't been included
Source: Accidental Deaths and Suicides in India 2020 and 2019 report

Figure No. 5

Why Are Farmer Suicide Rates So High?

1. Financial Stress -constant financial pressure related to the "Farm Crisis" and ongoing drought and flood which add to the economic problems.
2. Sense of Loss- repeated sense of hopelessness, loss of crops, loss of land, loss of income, loss of community, loss of family farm, loss of a way of life.
3. Loss of independence and control: many of the issues are not within the farmer's control -disease, weather, government policy, but the debts are personal.
4. Untreated Mental Illness- Lack of access to mental health services in rural areas and the stigma attached to treatment.
5. Depression arising from exposure to agricultural chemicals/pesticides may increase the risk for mood disorders and ultimately suicide.
6. While the prices of crops have been pushed down -often even below the cost of production -the prices of inputs such as seed, fertilizers and pesticides have gone up.
7. With limited resources, farmers depend on borrowed money to purchase seeds and other inputs and to farm their land. A drop in their farm income could quickly lead to farmers owing more than they own.
8. Geographical remoteness and the potential for social isolation.
9. Chemicals and Drought produce zero yield-The overuse of chemical fertilizers caused the soil to become infertile. This, coupled with a reduction in the genetic variety of crops, and three years of drought led to zero yield. Without crops to sell farmers were unable to pay their debts.

Studies on agrarian crisis:

For upliftment of the farmers there is need for a joint initiative by State Government, Central Government and Financial Institutions. There is need of, Timely and adequate support by way of credit to farmers with focusing small and marginal farmers to have them modern equipment for improved agricultural productivity. To issue Kisan Credit Cards to all the eligible farmers to have them access to get ST, MT and LT loan from all the banks. To form the SHGs of Tenant farmers/ share croppers & agricultural workers and give them micro-credit through banks. Encourage the farmers to adopt allied activities like dairy, fishery, poultry etc. with farming activities. Diversification/crop rotation in agricultural production in changed scenario.

(i) Case study on farmer's suicides by Prof. K.Nagraj (Madras Institute of Development Studies):

According to the Report of Prof. K. Nagraj of Madras Institute of Dev. Studies, the General Suicide Rate (GSR) (overall suicides per 1 lakh population) in the country between the period 1997 to 2005 was 10.6, where as the Farmers Suicide Rate (FSR) was 12.9 and the Ratio of FSR to GSR was 1: 1.2. In Maharashtra the position was alarming with GSR at 15.1 and FSR at 29.9. According to Prof. Nagraj Annual Compound Growth Rate (ACGR) for all suicides at 2.18% is lower than the Population Growth Rate. The data reveals that the worst position of the farmers in Maharashtra is in Vidarbha region. The Study also shows the alacrity of the problem, so much so that on an average one farmer took his/her life every 53 minutes between 1997 and 2005. State wise position of suicides in other States in critical group was Andhra Pradesh-16770, Karnataka-20093 & Madhya Pradesh (including Chattisgarh)-23588.

(ii) Study of Agricultural Indebtedness by Expert Group - Prof. Radhakrishna:

According to the study Agricultural indebtedness is not the main cause of farmers suicides but stagnation in agriculture, marketing risks, collapse of

extension system, growing institutional vacuum and lack of livelihood opportunities are the primary causes. According to the Report the decline in returns from agriculture has resulted in inability of farmers to repay debt and this has triggered Farmers suicide.

(iii) Tata Institute of Social Science (TISS) Report - (submitted in March 2005 study on sample of 36 (5%) of 644 suicide cases):

As per the direction of Mumbai High Court on a Public Interest Litigation, Tata Institute of Social Science (TISS) conducted a study on an agrarian crisis and the report was submitted in the year 2005. The salient features of the report are as under:

- Suicides occurred among large landholders & down to the landless
- Cycles of debt and destitution led to suicide of the head of the family. The survivors were reduced to landlessness due to debt. Among those committed included medium and large landowners who were also affected by a high level of un-payable debt.
- Farmers did not have access to extension machinery of the government in giving sound information on how to deal with pests and declining productivity of land.
- Farmers are dependent on agents of fertilizer and pesticide companies for advice on seeds and crop care. The information base of the farmers is, thus, limited to the data provided by the agents and their products. A false perception of prosperity is being created in the minds of the cultivators that prompt them to take serious risks in terms of fertilizer-based cropping pattern.
- Minimum Support Price has not been available to all farmers, particularly the small and marginal farmers.
- Causes common across categories were:
- **Repeated crop failure,**
 - Inability to meet the rising cost of production (farmers have been spending more on fertilizers even while crop performance has been showing a declining trend).
 - Indebtedness due to a host of reasons ranging from a daughter's marriage to digging a well which eventually bore no water,
 - These causes arose out of a larger picture of globalisation & the resultant neglect of agricultural community in India

Package of Central Government:

Prime Minister visited the Vidarbha region in July 2006 and announced a package of Rs.3750 crores to the families of the farmers in Maharashtra. Under the package, an additional credit of Rs.1275 was earmarked for disbursement in the identified region. Entire interest on overdue loan was waived and principal rescheduled for 3 to 5 years. The other important components of the package are as under:

PM's Package – goal & means:

1. Establishment of sustainable and viable farming, livelihood support system through:

- a. Complete credit cover through institutional credit sources
- b. Debt relief by restructuring overdue loans and interest waiver
- c. Assured irrigation facilities
- d. Effective watershed management
- e. Seed replacement program
- f. Subsidiary income opportunities through horticulture, livestock, dairying, fisheries, etc.
- g. Better extension and farming support services and improved marketing facilities

2. Components & targets :

- a. Ex-gratia assistance from PMNRF – Rs. 50 lakh per district
- b. Debt relief to farmers – Re-scheduling of OD loan as on June 30, 2006
- c. Fresh credit to farmers.
- d. Interest waiver – Entire OD interest as on July 1, 2006, to be shared equally by Center and State
- e. Assured irrigation facilities – Completion of all major, medium and

minor irrigation projects sanctioned under AIBP and RIDF in 3 years time.

3. Seed replacement program:

4. 50% subsidy for quality seed over 3 years (entitlement 1 ha / farmer)

5. Watershed Development:

- a. construction of check dams – 500 per district per year for 3 years
- b. area treatment under watershed development - 15000 ha per district per year for 3 years
- c. construction of rain water harvesting structures by SC/ST/SF/MF beneficiaries with 50% bank loan and 50% back ended subsidy - 1000 beneficiaries per district per year for 3 years

6. Horticulture Development:

- a. All districts to be covered under National Horticulture Mission
- b. Launching of a Technology Mission on Citrus

7. Micro Irrigation: All districts to be covered under Scheme of Micro Irrigation for propagation of Drip and Sprinkler Irrigation

8. Extension Services: All districts to be covered under ATMA (Agriculture Technology Management Agencies) to ensure extension support and convergence at district level

Package of the State Government:

Government of Maharashtra announced the special package of Rs.1075 crores for the affected families as under:-

1. Immediate relief to the family members of the farmers who committed suicide (Rs. 1 lakh to each family)
2. Rescheduling of the outstanding crop loan and subsidy on interest to the indebted farmers (Rs.225 crores).
3. Ban on illegal private lending and legalizing of licensed moneylenders.
4. Limiting the interest payable to the original principal amount.
5. Disbursing crop loan through Farmers Self Help Groups.
6. Enhanced subsidy on crop insurance premium (Rs. 30 crores).
7. Financial assistance (for land development) to acquire farm equipment, inputs like seeds/ pest control measures & bio-fertilizers (Rs.150 crores)
8. Promotion of agro based subsidiary livelihood options (Loans to farmers for Dairy, Goatery and Poultry) (Rs.30 crores).
9. Promotion of agro-processing industries through cooperative system (Govt. share 1:5)
10. Promotion of Joint cotton farming.
11. Financial assistance for mass community marriages (Rs.6 crores)
12. Repayment of amount of Capital Operation Fund (Rs.370 crores)
13. Financial assistance to cotton growers (Rs.134 crores)
14. Organic Farming Technology Mission (Rs.30 crores)
15. Vidarbha Watershed Mission (Rs.100 crores)
16. Establishment of Helpline for farmers

There is an old saying in Marathi "Farmer takes the birth in debt and die in the same condition". This was the position of farmers before independence and it still continue after 60 years of independence. If we analyse the suicides by farmers in Maharashtra it is revealed that it is higher in Vidarbha region of the State where farmers preferred cultivation of "white gold" i.e. cotton - a risky venture that suffered due to non-availability of quality seeds coupled with the farmers or incapacity to buy costly Bt. cotton seeds. They could also not get remunerative price for their produce. According to Dr. M.S. Swaminathan, although 60% people in India depend on agriculture and Agriculture Sector contributes 25% of National Income over the period investment and production in agriculture has declined. In developed world the percentage of dependence of population on agriculture is much less e.g. in USA it is only 2% and income from agriculture is just 4%.

There are related issues of quality for export and competition in global market. The answer to the question as to why the farmers are committing suicides? lies in a combination of factors such as crop failure, shifting to more profitable but risky (in terms of output, quality and prices) cash crops like cotton/ sugarcane/ soyabean, exorbitant rate of interest and other terms and conditions of loans availed from money lenders, lack of non farm opportunities, unwillingness to adopt to scientific practices, non availability of timely credit from formal channel, absence of proper climate/ incentive for timely repayment of bank loan, etc. At some places even though water is available but can't be exploited fully due to insufficient power supply. Huge expenditure on children's education and sudden demand of money for health considerations and marriage, etc. in the family are also major contributors for stress in farming community. Inconsistency of rain-fall during monsoon, absence of support mechanism for marketing of agriculture produce also contributed to uncertainty and financial risk of the farmers. To commit suicide is not normal but generally occurred for farmers due to fear of pressure of moneylenders e.g. if they fail to repay the loan their land will be forcibly taken away. Their economic condition in many cases changes to such an extent that the farmers are unable to face the society. In this situation of loneliness and in absence of any institutional or social mechanism to fall back upon, farmers were forced to commit suicide. For farmers to come out of the stressful situation a system to address the various issues discussed in the earlier paragraphs have to be evolved through an institutional mechanism with necessary arrangement for review and follow up. A rehabilitation programme which addresses repayment of overdue interest, supply of quality inputs for next crop, insurance against natural calamity, opportunity of supplementary income through non farm activities, provision of forward linkage such as marketing and storage, extension services, etc. has to be devised and implemented.

Rehabilitation Package:

For rehabilitation of distress farmers and their family members Central as well as State Government has announced the special packages in the State of Maharashtra.

Package of Central Government:

Prime Minister visited the Vidarbha region in July 2006 and announced a package of Rs.3750 crores to the families of the farmers in Maharashtra. Under the package, an additional credit of Rs.1275 was earmarked for disbursement in the identified region. Entire interest on overdue loan was waived and principal rescheduled for 3 to 5 years. The other important components of the package are as under:

PM's Package – goal & means

Establishment of sustainable and viable farming, livelihood support system through :

- Complete credit cover through institutional credit sources
- Debt relief by restructuring overdue loans and interest waiver
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- Organic Farming Technology Mission (Rs.30 crores)
- Vidarbha Watershed Mission (Rs.100 crores)
- Establishment of Helpline for farmers

iii) Loan waiver proposed in Budget 2008-09:

Highlights:

- All agricultural loans disbursed by scheduled commercial banks, regional rural banks and cooperative credit institutions up to March 31, 2007 and overdue as on December 31, 2007 will be written off in respect of small and marginal farmers.
- In respect of other farmers, there will be a one time settlement (OTS) scheme for all loans that were overdue on December 31, 2007 and which remained unpaid until February 29, 2008. Under the OTS, a rebate of 25 percent will be given against payment of the balance of 75 per cent.
- Agricultural loans were restructured and rescheduled by banks in 2004 and 2006 through special packages. These rescheduled loans, and other loans rescheduled in the normal course as per RBI guidelines, will also be eligible either for a waiver or an OTS on the same pattern.
- The implementation of the debt waiver and debt relief scheme will be completed by June 30, 2008. Upon being granted debt waiver or signing an agreement for debt relief under the OTS, the farmer would be entitled to fresh agricultural loans from the banks in accordance with normal rules.
- Government estimates that about three crore small and marginal farmers and about one crore other farmers will benefit from the scheme. The total value of overdue loans being waived is estimated at Rs.50,000 crore and the OTS relief on the overdue loans is estimated at Rs.10,000 crore.
- It is proposed to create a fund of Rs. 5,000/- crore in NABARD to enhance its refinance operations to short term cooperative credit institutions.

Important measures:-

- Rescheduling of loans and waiving of interest up to two years where farmers are affected by natural calamities in rain fed areas.
- Creation of 'Moneylenders Debt Redemption Fund'.
- Timely and hassle free delivery of credit by reducing transaction costs.
- Increase in deployment of Rural Infrastructure Development Fund. (RIDF)
- Government should make efforts to facilitate the Formation of Federation of SHGs of small and marginal farmers.
- Allocation for expenditure on health of distress farmers and their family members.
- Health Insurance Scheme for the benefit of farmer's livelihood.
- Better monitoring and implementation of the existing package of relief.

Short-term suggestions/ Recommendations for immediate relief and rehabilitations:

- Immediate (adequate) compensation given on a priority basis to families of victims;
- Ex-gratia payment of Rs. 2.5 lakh for families to meet loan repayments and live with some level of dignity;
- Comprehensive insurance safety net;
- Revamping of extension services in lines with e-choupals; and,
- Dissemination of information such as agricultural prices and methods of low-cost organic farming.

Long-term recommendations:

- Fundamental policy changes to factor in the fluctuating production cost in

the Minimum Support Price mechanism;

- To integrate surface and groundwater irrigation schemes and integrate the line departments in order that the schemes are implemented efficiently;
- Policy changes to focus on farmers rather than seed and fertilizer corporations; and
- Set up of a commission with statutory powers that takes decisions on issues such as genetic modification technology and its impact on Indian agriculture, agriculture pricing policy and cropping pattern.

CONCLUSION:

The problems of agricultural indebtedness is intimately linked with issue of undesirable input use, constantly increasing input cost, volatile crop prices and difficulties in assessing market. Therefore, it is to these aspects of production conditions in agriculture that policy intervention must now be directed.

For upliftment of the farmers there is need for a joint initiative by State Government, Central Government and Financial Institutions. There is need of,

- i) Timely and adequate support by way of credit to farmers with focusing small and marginal farmers to have them modern equipment for improved agricultural productivity.
- ii) To issue Kisan Credit Cards to all the eligible farmers to have them access to get ST, MT and LT loan from all the banks.
- iii) To form the SHGs of Tenant farmers/ share croppers & agricultural workers and give them micro-credit through banks.
- iv) Encourage the farmers to adopt allied activities like dairy, fishery, poultry etc. with farming activities.
- v) Diversification/crop rotation in agricultural production in changed scenario.
- vi) Adoption of upgraded technology inputs alongwith provision of infrastructure inputs like power at subsidized cost, supply of inputs like seeds, fertilizers, tractors and credit provision through all nationalized banks.
- vii) Adoption of Non-Farm activities with allied agricultural activities.
- viii) Arrangements of marketing /forward linkages /contract farming to sell their produce at remunerative prices. If these facilities are given to farmers they may achieve self-sufficiency in agricultural production. There is need for major review of agricultural policy to meet the changing needs of both producers and consumers.

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